

SERVICE DATE - APRIL 9, 1997

SURFACE TRANSPORTATION BOARD

DECISION

STB Docket No. MC-F-20905

GREYHOUND LINES, INC.--CONTROL--CAROLINA COACH COMPANY, INC.

Decided: April 4, 1997

On March 11, 1997, Greyhound Lines, Inc. (GLI), a motor passenger carrier, filed an application, under 49 U.S.C. 14303(a) and 49 CFR part 1182, to acquire control of Carolina Coach Company, Inc., d/b/a Carolina Trailways (CCC), another motor passenger carrier, through GLI Holding Company and T&V Holding Company, GLI's wholly owned noncarrier subsidiaries. The application is being rejected.

Under 49 U.S.C. 14303(a)(3), Board approval is required for a motor passenger carrier to acquire control of another motor passenger carrier. The Board must approve and authorize a proposed control transaction, under 49 U.S.C. 14303(b), if it is consistent with the public interest, and, in making that determination, the Board must consider, at least: (1) the effect of the transaction on the adequacy of transportation to the public; (2) the total fixed charges that result; and (3) the interest of affected carrier employees. Additionally, 49 CFR 1182.3 governs the contents of an application and, with exceptions not applicable here, requires that an application contain an applicant's entire case. Within 30 days after an application is filed, we must either publish notice of it in the Federal Register or reject it as incomplete. See 49 U.S.C. 14303(c) and 49 CFR 1182.6.

The instant application addresses both the subject matter specified in 49 CFR 1182.3(a) and the criteria of 49 U.S.C. 14303(b), but it does so in a manner that is both cursory and conclusory. Indeed, the information submitted is so minimal that we cannot make a reasoned analysis or decision under the statutory criteria. For example, applicant states that CCC will become a wholly owned GLI subsidiary but does not describe the actual transaction, as required under section 1182.3(a)(3), or adequately explain the resulting intercorporate structure from top to bottom, as required under section 1182.3(a)(4).

More significantly, applicant does not present sufficient evidence to demonstrate that the transaction is consistent with the public interest. Applicant notes that the two carriers long have pooled certain of their operations and revenues but does not discuss the transaction's likely effect on competition. Applicant also fails to explain or support, in any way, its contentions that the proposed affiliation of a "regional" and "nationwide" carrier will: (1) encourage reasonable fares; (2) promote safe, adequate, and efficient transportation; and (3) have no effect on employees. In view of these shortcomings and the possible regional significance of the proposed transaction,<sup>1/</sup> the application is being rejected.<sup>2/</sup>

It is ordered:

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<sup>1/</sup> Based on the 1995 quarterly reports submitted to the U.S. Department of Transportation, Bureau of Transportation Statistics and excluding operating subsidiaries, GLI is the nation's largest intercity regular route motor passenger carrier based on ridership and operating revenues. CCC is the nation's twelfth largest based on ridership and ninth largest based on operating revenues. Excluding Texas, New Mexico & Oklahoma Coaches, Inc., a GLI subsidiary, CCC would be ranked eighth largest based on operating revenues.

<sup>2/</sup> Rejection is without prejudice to filing a new application in full compliance with 49 U.S.C. 14303 and 49 CFR part 1182. A new application must be accompanied by a new filing fee.

1. The application is rejected.
2. This decision is effective on its service date.

By the Board, Chairman Morgan and Vice Chairman Owen.

Vernon A. Williams  
Secretary